

4 May 2011

E-PAY ASIA LIMITED (EPY) ENTERS INTO AGREEMENT FOR THE SALE OF ITS BUSINESS

E-Pay Asia Limited (ASX: EPY) (**Company**) is pleased to announce that following from its announcement dated 12 April 2011, it has entered into an agreement (**Sale Agreement**) with Tobikiri Capital Ltd (**Purchaser**) for the sale of its operating subsidiaries that hold the Companies telecom businesses.

The consideration payable by the Purchaser is \$8,550,000, to be paid in cash at completion of the transaction, subject to repayment of inter-company loans and balances.

Identity of Purchaser and shareholder approvals

Tobikiri Capital Ltd is a company controlled by and related to Mr Simon Loh, Executive Chairman and Chief Executive Officer of the Company.

As a result, the Sale Agreement is subject to shareholder approval pursuant to the related party provisions of Chapter 2E of the Corporations Act and the corresponding provisions of chapter 10 of the ASX Listing Rules. In addition, as the transaction represents sale of major assets, shareholder approval will also be required pursuant to Chapter 11 of the ASX Listing Rules.

A report of an independent expert commenting on whether the transaction is fair and reasonable to the Company's shareholders, will be provided to shareholders in due course, along with a notice of meeting of shareholders and accompanying material relating to the transaction.

The Company has sought permission from ASIC to hold its 2010 AGM by no later than 31 July 2011.

Commercial Terms of the Sale

The Sale Agreement contains the following material provisions:

1. The purchase price of \$8,550,000 (less the net balance of any inter-company loans);
2. Completion of the transaction is to occur by no later than 1 August 2011;
3. Completion will be subject to a number of conditions precedent, including:
 - a. An independent expert's report to the effect that the transaction is to the benefit of all shareholders of the Company unrelated to the Purchaser;
 - b. Shareholder approval of the transaction in accordance with Chapter 2E of the Corporations Act and Chapters 10 and 11 of the ASX Listing Rules; and
 - c. Shareholders of the Company approving a return of capital to shareholders following successful completion of the transaction, in the amount of 17 cents per share.
4. On completion of the Sale Agreement, Mr Simon Loh will resign as Chief Executive Officer of the Company.
5. The Company will not compete with the businesses of its operating companies sold under the Sale Agreement, in Malaysia, Thailand, Indonesia, Singapore, Myanmar, Vietnam, Laos, Brunei Cambodia, Philippine or Pakistan, for a period of 3 years from completion of the Sale Agreement.

Proposed Return of Capital

Completion of the Sale Agreement is also conditional upon the Company's shareholders approving a return of capital of 17 cents per share, to be funded mainly by the proceeds of the sale and to occur subject to the time limits imposed by the ASX Listing Rules.

Competing proposals

The Sale Agreement provides that should the Company receive, prior to despatching its AGM material (which will include resolutions and material relating to the Sale Agreement) any proposal from a third party offering superior overall terms to those in the Sale Agreement, the Purchaser must match those superior terms, failing which the Company may withdraw from the Sale Agreement.

Indicative Transaction Timetable

Event	Date*
Entry into Sale Agreement	4 May 2011
Shareholders meeting to consider sale and return of capital	no later than 30 June 2011
Record date for return of capital	6 business days after shareholders meeting
Completion of sale agreement	14 days after shareholders meeting
Return of capital	As soon as practicable after completion of sale agreement

- These dates are indicative and are subject to change by the Directors, provided that completion of the Sale Agreement must occur by 1 August 2011.

The Directors' plans for the Company after completion of the Sale Agreement

The transaction involves sale by the Company of its main operating assets and a return of capital of 17 cents per share. The Directors intend that the Company will retain the balance of the sale proceeds with a view to applying them to the Company's future business operations.

The Directors are currently considering various post-sale options and will announce particulars to the market of their future intentions for the Company, in due course.

By order of the Board.



Robert Lees
Company Secretary
(02) 9299 9580

ABOUT e-pay Asia Limited

e-pay Asia Limited is one of the leading provider of electronic top up services for prepaid mobile users in South East Asia. The e-pay Asia's electronic top up services operates in 3 countries namely Malaysia, Thailand and Pakistan with approximately 15,000 point of sales. e-pay Asia processes more than 100 million prepaid mobile top up transactions per year.